

Foreclosure Questions and Answers

What happens if I miss my mortgage payments?

Foreclosure may occur, but it doesn't have to. You can take action to save your dream. There is a lot of information to help you. The City of Phoenix has an excellent website available. It can be found at www.phoenix.gov

What should I do if I get behind in my mortgage payments?

It is never too late to get help. By seeking help early, there is a greater chance of success in avoiding foreclosure. As soon as you anticipate problems in paying your mortgage payment, contact your mortgage servicer to explain your current financial situation. Many servicers are willing to work with you if you contact them immediately, because they understand that individuals and families can face temporary job loss, serious illness, or other major life events that can impact their ability to pay their mortgage.

What is a "work out" resolution?

Generally, a "work out" resolution involves resuming payments and arranging to pay the past-due amount over a short period of time. Sometimes, lenders will allow a "loan modification" which might lower your interest rate or extend the final due date of your loan - making your monthly payments lower.

Where can I go to find help?

In addition to contacting your mortgage servicer, you can call the **HOPE NOW Homeowner's Hotline at 888-995-HOPE (4673)** or visit www.hopenow.com where they have independent nonprofits that provide HUD-approved counselors. You can call a [housing counselor approved by the U.S. Department of Housing and Urban Development \(HUD\)](#) or a local resource in your area. These counselors are experienced in communicating with mortgage servicers and are able to determine where you are in the process and what "work out" options are available to you.

How do I know if I qualify for any alternatives to foreclosure?

Your mortgage servicer and a HUD-approved housing counselor will be able to determine if you qualify for any of the alternatives.

What should I do if I receive letters saying my home is going to be foreclosed upon?

Do not ignore letters or phone calls from your mortgage servicer! If you are having difficulty in making your payments, take action immediately by calling or writing to your mortgage **servicer's Loss Mitigation Department** to explain your situation.

Should I continue to live in my home?

Yes, you are in a far better position to save your home by continuing to live in it. If you abandon your property, you may not qualify for assistance.

What should I do if I get a foreclosure notice?

Call your servicer immediately to discuss alternatives to foreclosure.

Should I be aware of anything else?

Beware of scams! Solutions that sound too simple or too good to be true usually are. Unfortunately, there are people who may try to take advantage of your financial difficulty. Once your loan is in the foreclosure process, you may be contacted by those who will tell you that they can "help" you keep your house. Be cautious. Most of the time, these self-proclaimed specialists charge a hefty fee for services that are worthless or that you can perform for yourself just by calling your **servicer's Loss Mitigation Department** or by calling a **[HUD-approved housing counselor](#)**.

To learn more about avoiding being scammed, call the **Arizona department of Financial Institutions (DFI) at 1 800-544-0708** or on their Web site at **www.azdfi.gov**. You can also call the **Arizona Attorney General's office at 602 542-5763**, or go to their Web site at **www.azag.gov/consumer/**.

The best way to avoid scams is to work directly with your mortgage company and a **[HUD-approved housing counselor](#)**.

Are all offers to "help" scams?

Because of the public nature of foreclosures, anyone can access foreclosure listings on a daily basis. These listings include the owner's name and address and could include other sensitive information. Armed with this data, individuals pitch their scam to take advantage of a desperate owner.

How long does a foreclosure take?

In Arizona, a lender must appoint its trustee, the person or entity that has the legal right to sell the home in a trustee sale and handle the appropriate paperwork. By law, the trustee must record a "Notice of Trustee's Sale" in the county recorder's office. This is the legal notice that the home is to be sold no sooner than 90 days from the recording date of the notice.

Can I retain my house after it goes to trustee sale?

You may retain ownership of your home (and continue to live in it) up until the time that the confirmation of sale has been filed with the court.

When do I actually have to leave the house?

You should be prepared to vacate the property once the foreclosure sale has been

confirmed, which usually takes place 30 days to 60 days after the trustee sale. If you choose not to vacate the property, an eviction notice will be placed on your door informing you of the date you will be evicted by the sheriff. Your personal belongings will be placed outside your home and eventually removed. If you have not made alternative living arrangements, a HUD-approved housing counseling agency can refer you to community services in your area.

Should I consider refinancing?

Being able to refinance your loan depends on several factors. If you are already behind on your mortgage, your credit rating will be adversely affected. This could prevent you from obtaining a new mortgage at a reasonable interest rate. In addition, you may not be able to afford the fees and points that most lenders charge, especially if you have little or no equity in your home. If you do want to refinance, shop around for the best rate and terms possible and be alert for predatory lending practices. Refinance opportunities also exist with FHA Secure through the federal government.

Where can I file a complaint if I believe I have been a victim of predatory lending?

Complaints regarding predatory lending can be filed with the **Arizona Attorney General's office by calling 602 542-5763**, or go to their Web site at www.azag.gov/consumer/.

Would my mortgage company rather foreclose on my home than keep me in it?

On average, a mortgage company sustains a \$50,000 loss in the event of a foreclosure. These companies are in the business of providing and servicing mortgages and would prefer not to own or sell homes. If possible, they would prefer to keep you in your home.

Is foreclosure uncommon?

Foreclosure is a challenge faced every year by thousands of Arizonans from all walks of life. You are not alone, but you need to take action to save your dream.

What are the main points I should remember?

- Act now and don't ignore the problem!
- Contact your mortgage servicer as soon as you realize that you have a problem
- Open and respond to all mail from your servicer
- Contact a HUD-approved housing counselor
- Stay in your home to make sure you qualify for assistance
- Understand Arizona's foreclosure process
- Understand foreclosure prevention options and alternatives
- Beware of scams

- Do not sign any document that you don't understand